

(MODEL QUESTION) SECOND MID – TERM TEST – 2022**Standard – XI**

Reg.No. _____

Time: **1.30** hrs.**ACCOUNTANCY**Marks: **50****PART – A****Answer all the questions:****10×1=10**

1. Error of principle arises when
 - a) There is complete omission of a transaction
 - b) There is partial omission of a transaction
 - c) Distinction is not made between capital and revenue items
 - d) There are wrong posting and wrong castings
2. Errors not affecting the agreement of trial balance are
 - a) Errors of principle
 - b) Errors of overcasting
 - c) Errors of undercasting
 - d) Errors of partial omission
3. Wages paid for installation of machinery wrongly debited to wages account is an error of
 - a) Partial omission
 - b) Principle
 - c) Complete omission
 - d) Duplication
4. The total of purchases book was overcast. Which of the following accounts should be debited in the rectifying journal entry?
 - a) Purchases account
 - b) Suspense account
 - c) Creditor account
 - d) None of the above
5. Under straight line method, the amount of depreciation is
 - a) Increasing every year
 - b) Decreasing every year
 - c) Constant for all the year
 - d) Fluctuating every year
6. Depreciation is caused by
 - a) Lapse of time
 - b) Usage
 - c) Obsolescence
 - d) a, b and c
7. Residual value of an asset means the amount that it can fetch on sale at the _____ of its useful life.
 - a) Beginning
 - b) End
 - c) Middle
 - d) None
8. Amount spent on increasing the seating capacity in a cinema hall is
 - a) Capital expenditure
 - b) Revenue expenditure
 - b) Deferred revenue expenditure
 - d) None of the above.
9. Expenditure incurred Rs.20,000 for trial run of a newly installed machinery will be
 - a) Preliminary expense
 - b) Revenue expenditure
 - b) Capital expenditure
 - d) Deferred revenue expenditure
10. Loss on sale of old furniture is
 - a) Capital expenditure
 - b) Revenue expenditure
 - b) Deferred revenue expenditure
 - d) None of the above.

PART - B**Answer any five questions.Q.No.17 is compulsory:****5×2=10**

11. What is meant by rectification of errors?
12. Give the formula to find out the amount and rate of depreciation under straight line method of depreciation.
13. What is meant by deferred revenue expenditure?
14. The following errors were detected before the preparation of trial balance. Rectify them.
 - (a) Sale book is undercast by Rs.100
 - (b) Purchase book is overcast by Rs. 400.
15. What are compensating errors?
16. A firm purchased a machine for Rs. 50,000. Erection charges amounted to Rs. 5,000. Effective life of the machine is 5 years. Calculate the amount of depreciation per year under straight line method.
17. Classify the following expenses as capital or revenue.
 - (i) The sum of Rs. 3,200 has been spent on a machine as follows:
 - a) Rs. 2,000 for additions to double the output.
 - b) Rs. 1,200 for repairs necessitated by negligence.

PART - C**Answer any five questions.Q.No.24 is compulsory:****5×3=15**

18. Write a note on suspense account.
19. An asset is purchased for Rs. 50,000. The rate of depreciation is 15% p.a. calculate the annual depreciation for the first two years under diminishing balance method.
20. Distinguish between capital receipt and revenue receipt.
21. Classify the following receipt into capital or revenue.
 - (i) Sale proceeds of goods Rs. 75,000.
 - (ii) Loan borrowed from bank Rs. 2, 50,000.
 - (iii) Sale of investment Rs. 1, 20,000.
22. An asset is purchased on 1.1.2016 for Rs. 50,000. Depreciation is to be provided annually according to straight line method. The useful life of the asset is 10 years and its residual value is Rs. 10,000. Accounts are closed on 31st December every year. You are required to find out the rate of depreciation and give journal entries for first two years.
23. Give journal entries to rectify the following errors discovered after the preparation of trial balance:
 - (a) Purchases book was overcast by Rs.10, 000.
 - (b) A repair to furniture of Rs. 500 was debited to furniture account.
 - (c) A credit sale of goods to akilnilavan for Rs. 456 was credited to his account as Rs. 654.
24. Write a note on one sided errors and two sided errors.

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PART - D**Answer all the questions.****3×5=15****25. a)** What are the causes for depreciation?**(Or)****b)** Distinguish between straight line method and written down value method of providing depreciation.**26. a)** Distinguish between capital expenditure and revenue expenditure.**(Or)****b)** Identify the following items into capital or revenue.

- (i) Audit fees paid Rs. 10,000.
- (ii) Labour welfare expenses Rs. 5,000.
- (iii) Rs. 2,000 paid for servicing the company vehicle.
- (iv) Repairs to furniture purchased second hand Rs. 3,000.
- (v) Rent paid for the factory Rs. 12,000.

27. a) Pass journal entries to rectify the following errors located after the preparation of the trial balance. Assume that there exists a suspense account.

- (i) The total of sales book was undercast by Rs.2,000.
- (ii) The purchase of machinery for Rs. 3,000 was entered in the purchases book
- (iii) A credit sale of goods for Rs. 45 to Mathi was posted in his account as Rs. 54
- (iv) The purchases returns book was overcast by Rs. 200.
- (v) The total of sales book Rs. 1,122 were wrongly posted in the ledger as Rs. 1,222.

(Or)**b)** A boiler was purchased on 1st January,2015 from abroad for Rs. 10,000. Shipping and forwarding charges amounted to Rs. 2,000. Import duty Rs. 7,000 and expenses of installation amounted to Rs. 1,000. Calculate depreciation for the first 3 years @ 10% p.a. on diminishing balance method assuming that the accounts are closed 31st December each year. Show the machinery account for the years 2015 to 2017.